

**GOVERNMENT OF INDIA
MINES
LOK SABHA**

UNSTARRED QUESTION NO:2250
ANSWERED ON:12.03.2001
FINANCIAL POSITION OF HINDUSTAN COPPER LIMITED
THAAWAR CHAND GEHLOT

Will the Minister of MINES be pleased to state:

- (a) the details in regard to financial position of the Hindustan Copper Limited (H.C.L.) during each of the last three years;
- (b) the details of production position of the metal concentrate(MIC) of the H.C.L. as compared to the target set during the said period; and
- (c) the details of the steps being taken to increase the production of copper and to improve the financial position of the H.C.L.?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF MINES (SHRI JAYSINGRAO GAIKWAD PATIL)

(a): The financial performance of the Hindustan Copper Limited during the last three years is as under:

Year Profit(+)/Loss(-) (Rs. in crores)

1997-98	(-) 169.72
1998-99	(-) 051.20+
1999-2000	(-) 147.46

+ After including effect of interest waiver amounting to Rs.155.76 crores arising out of the Capital Restructuring of HCL.

(b): The production of the Metal in Concentrate (MIC) in the mineral ore by HCL during the last three years is given below:

Year Production of Metal in Concentrate (MIC) (in Tonnes)

Target Actual

1997-98	41000	41440
1998-99	37080	38553
1999-2000	34200	33462

(c) The following are some of the important steps being taken to increase the production of copper and improve the financial position of HCL:

(i) Financial Restructuring by Conversion of Outstanding loan of Rs. 180.73 crores as on 31.3.1998 into Equity and Waiver of Outstanding interest of Rs.167.43 crores, by Govt. of India.

(ii) Implementation of Phase I of disinvestment of HCL whereby it is expected that the Strategic Partner will make substantial investment for expansion of mines in Khetri belt, Smelter/Refinery at Khetri and Taloja unit of HCL so as to make these units viable and profitable.

(iii) Gradual closure of uneconomic mines and unviable operations with consequentially separation of employees under Voluntary Retirement Scheme.

(iv) In principle approval for grant of non-plan loan of Rs.414 crores to HCL during 1998-99 to 2001-2002, to reduce surplus workforce through Voluntary Retirement Scheme. Out of which Rs.60 crores has been released during 1998-99, Rs. 100 crores during 1999-2000 and Rs.80 crores up to 8th March 2001 during the current financial year.

(v) Government guarantee was provided to HCL to raise a working capital term loan of Rs.150 crores from IDBI and Rs.100 crores from ICICI,so as to be able to bring operations closer to viable level.

(vi) Putting more emphasis on high productivity mines and to augment indigenous production of Metal in Concentrate.

(vii) The Company has also initiated a number of measures to effect cost reduction in the existing expenditure on its operations and also in personnel related areas.